8. *General.*- A contribution of Rs. 1,000 was made by the Board towards the Mysore War Fund. A sum of Rs. 1,280 was spent by the Board towards the cost of sinking some drinking water wells in the rural areas under the Board. Extensions to the Kolar Gold Field High School were completed and further improvements to the Robertsonpet Market were taken up. Housing facilities to the sweepers were undertaken at a total cost of Rs. 4,611. Besides, a comprehensive underground drainage scheme for Robertsonpet is also under preparation.

It is gratifying to note that on the whole, the administration of the Board was satisfactory.

H. V. NARAYANA RAO,
Secretary to Government,
Law Department.

FINANCIAL SECRETARIAT

Report on the Resource Operations for the year 1939-40.

READ—

Letter No. 727—Books, dated 1st November 1940, from the Comptroller to Government, forwarding the report on the resource operations of the State for the year ending 30th June 1940.

ORDER No. Fl. 3870-3887—G. F. 128-40-3, DATED BANGALORE, THE 9TH DECEMBER 1940.

Recorded.

A. N. RAGHAVACHAR,
Secretary to Government,
Financial Department.

CHIEF SECRETARIAT.

Revision of the rules regarding the levy of Conversion Fine and Special Assessment on Agricultural Lands used for non-Agricultural purposes.

READ—

Government Order No. R. 4794-803—L. R. 91-29-8, dated 12th April 1932, amending Rule 29 of the Land Revenue Rules prescribing the rates of special assessment leviable in respect of agricultural lands appropriated for industrial or manufacturing purposes.

2. Government Order No. R. 1278-87—L. R. 33-36-2, dated 28th September 1936, passing orders directing the levy of special assessment on lands appropriated for building purposes.

3. Government Order No. R. 614-24—L. R. 32-36-4, dated 6th August 1937, directing the amendment of Rule 59 of the rules under the Land Revenue Code and the schedules attached thereto so as to revise the rates of special fine payable on agricultural lands appropriated for non-agricultural purposes.

4. Correspondence ending with letter No. C. 3253—39-40, dated 10th June 1940, from the Revenue Commissioner in Mysore submitting, with reference to a representation made in the Representative Assembly a report in the matter of revision of the rules relating to the levy of conversion fine and special assessment on agricultural lands appropriated for non-agricultural purposes.

ORDER No. R. 4264-84—L. R. 334-39-5, DATED BANGALORE, THE 18TH DECEMBER 1940.

At the Dasara Session of the Representative Assembly in October 1939, a representation was made that the revised rates of conversion fine prescribed in the Government Order of the 6th August 1937 were very heavy and the levy of conversion fine in addition to special assessment on lands converted to non-agricultural purposes was working as a hardship inasmuch as it amounted to a double levy. On this, the Government promised to re-examine the whole question, to make necessary enquiries about the land values and find out if the prevailing rates of conversion fine were too high. The question was, accordingly, referred to the Revenue Commissioner for furnishing his opinion in consultation with the Deputy Commissioners of Districts, the President of the Municipal Council, Mysore, and the Municipal Commissioner, Bangalore City Municipality, and he has now submitted his report.

2. Most of the Deputy Commissioners consider that the existing rates of conversion fine do not call for any revision in view of the rise in land values, and that the levy of special assessment may be restricted to lands used for industrial purposes and that, in the case of lands used for building purposes, commuted assessment equal to 25 years' agricultural assessment may be levied.

The President of the City Municipal Council, Mysore and the Commissioner of the Bangalore City Municipality have suggested that conversion fine may be waived altogether or at least reduced to the original level and that commuted assessment equal to 25 years' agricultural assessment may be levied in lieu of special assessment and that, out of the special fine to be realised by Government, a moiety may be given to the concerned municipalities. The Revenue Commissioner, agreeing generally with the Deputy Commissioners, recommends that the rates of conversion fine in force prior to 1937 may be restored and that the special assessment may be continued to be levied on agricultural lands appropriated for non-agricultural purposes other than building purposes and that, in the case of agricultural lands used for building purposes, 25 or 30 years' assessment may be collected in lieu of the special assessment.

3. Under Section 48 of the Land Revenue Code, assessment fixed under the provisions of the Code upon any land appropriated for any one purpose is liable to be altered and fixed at a different rate when such land is appropriated for any other purpose and consequently lands assessed to agricultural assessment are subjected to a special assessment on conversion to building purposes. As houses and vacant sites in towns and rural areas are taxed by the respective municipalities and village panchayets, there appears to be a misapprehension that the imposition of special assessment by Government on the same house sites amounts to a double exaction by different public authorities. Government consider it expedient to remove, as far as possible, the cause for this misapprehension although it is ill-founded. Moreover, the levy and collection of special assessment on small house sites which are constantly undergoing change of ownership would be very difficult. Government, therefore, direct that the levy of special assessment may, in future, be waived in respect of agricultural lands used for the construction of residential buildings and that its levy be confined as a rule, to cases of lands converted to industrial uses.

4. As regards conversion fine, Government consider that its levy must, under the present circumstances, remain the chief means of obtaining, for the State, a fair share of the increased value accruing on agricultural land within and in the vicinity of large towns and industrial centres, as well as of compensating the State for loss of land revenue when land is converted into non-agricultural purposes. Government are not, therefore, in favour of abolishing this levy. So far as the rural areas are concerned, the rate of conversion fine now in force, *viz.*, 25 times the land revenue assessment is quite moderate and will be continued. But as regards the special areas and towns mentioned in Rule 59 of the Land Revenue Rules, it is necessary to have a systematic enquiry made with a view to finding out the market value of building land in the several towns. On the basis of such enquiry, which will have to be periodically repeated once in five years, it is proposed to fix standard rates of conversion fine for each locality so as to secure for the State a fair and definite proportion of the increment in value arising from the conversion of agricultural land to building or other special purposes. Separate orders will issue in this matter on receipt of a detailed report from the Revenue Commissioner on the above lines.

B. T. KESAVIENGAR,
Chief Secretary to Government.

NOTIFICATION.

No. R. 4285—*L. R.* 334-39-6, *dated Bangalore, the* 18*th December* 1940.

In exercise of the powers vested in Government under Section 233 of the Land Revenue Code and in pursuance of Government Order No. R. 4264-84 L. R. 334-39-5, dated 18th December 1940, the Government of His Highness the Maharaja of Mysore are pleased to direct that in Rule 29 of the Land Revenue Rules as amended by Notification No. R. 1288, dated 28th September 1936, the words "or building" be omitted.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

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